United Nations A/C.2/57/SR.31

General Assembly
Fifty-seventh session

Official Records

Distr.: General
2 December 2002

Original: English

Second Committee

Summary record of the 31st meeting
Held at Headquarters, New York, on Tuesday, 12 November 2002, at 10 a.m.

Chairman:	Mr. Suazo	(Honduras)
Later:	Mr. Van der Pluijm (Vice-Chairman)	(Belgium)
Later:	Mr. Suazo	(Honduras)

Contents

Agenda item 90: Training and research (*continued*)

(b) United Nations Institute for Training and Research (*continued*)

Agenda item 91: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (*continued*)

Agenda item 92: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields (*continued*)

Agenda item 84: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*)

This record is subject to correction. Corrections should be sent under the signature of a member of the delegation concerned *within one week of the date of publication* to the Chief of the Official Records Editing Section, room DC2-750, 2 United Nations Plaza, and incorporated in a copy of the record.

Corrections will be issued after the end of the session, in a separate corrigendum for each Committee.

02-68914 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 90: Training and research (*continued*)

(b) United Nations Institute for Training and Research (*continued*) (A/C.2/57/L.35)

Introduction of draft resolution A/C.2/57/L.35

1. **Mr. Carpio Govea** (Venezuela) introduced draft resolution A/C.2/57/L.35 entitled "United Nations Institute for Training and Research", on behalf of the Group of 77 and China.

Agenda item 91: Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources (*continued*) (A/C.2/57/L.34)

Introduction of draft resolution A/C.2/57/L.34

2. **Mr. Gamaleldin** (Egypt) introduced draft resolution A/C.2/57/L.34 entitled "Permanent sovereignty of the Palestinian people in the Occupied Palestinian Territory, including East Jerusalem, and of the Arab population in the occupied Syrian Golan over their natural resources" and expressed the hope that all delegations would support it.

Agenda item 92: Integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic and social fields (*continued*) (A/C.2/57/L.33)

Introduction of draft resolution A/C.2/57/L.33

3. **Mr. Bernardini** (Italy) introduced draft resolution A/C.2/57/L.33 entitled "World Food Summit: Five years later" on behalf of the European Union. Noting that investments in rural poverty reduction were a top priority in many countries' efforts to meet the Millennium development goals, he said that the World Food Summit had called for an International Alliance against Hunger enhance the international community's efforts to achieve the objective of the Millennium Declaration of halving the proportion of people suffering from hunger by 2015. The European Union called on all delegations to support the draft resolution, which was procedural in nature.

Agenda item 84: Macroeconomic policy questions (*continued*)

(a) International trade and development (*continued*) (A/57/15 (Parts I, II and III) and A/57/376)

4. **Ms. Sharifah Zarah** (Malaysia) said that most developing countries were disenchanted with the multilateral trading system, because of problems stemming from structural asymmetries of the Uruguay Round agreements in the area of subsidies, trade-related investment measures, agriculture and trade-related intellectual property. The issues associated with those asymmetries, the full and effective implementation of the existing obligations and the provisions on special and differential treatment should be effectively addressed. Indeed, the provisions on special and differential treatment should be reviewed with a view to strengthening them and making them more precise, effective and operational.

5. Developing countries had expected to reap benefits under the Uruguay Round from the opening up of the agricultural and textiles sectors in developed countries, but their exports continued to be hampered by a variety of tariff and non-tariff barriers and subsidies in major developed markets. Indeed, the tariffs on many agricultural items from developing countries continued to be prohibitively high, with some ranging from 200 to 300 per cent, despite repeated calls for their reduction, while domestic subsidies in Organisation for Economic Cooperation and Development (OECD) countries had risen steadily. Even though textile quotas were gradually being integrated into the World Trade Organization (WTO) system, more products which were commercially meaningful to developing countries needed to be phased in. She was disappointed with the slow progress in the implementation of the Agreement on Textiles and Clothing, which was a necessary and inherent condition of full implementation of the Uruguay Round.

6. She called on the major trading partners of the developing countries to fulfil their Doha commitment to place the needs and interests of developing countries at the heart of the multilateral trade negotiations by taking appropriate measures in favour of those countries, including improving the market access for products of export interest to them through the removal of export and domestic subsidies. Market access

negotiations should form the main part of the work programme under the Doha Development Agenda. She expressed the hope that specific actions would be taken by WTO members to address issues and concerns raised by developing countries regarding their difficulties in implementing some WTO agreements and decisions, including the lack of necessary resources and technical capacities.

7. In that regard, she commended the various initiatives undertaken by the United Nations Conference on Trade and Development (UNCTAD) in assisting developing countries to assess the results of the Doha work programme and develop appropriate institutional capacity and technical knowledge. She also welcomed the launching of a series of new projects by UNCTAD in cooperation with WTO and the United Nations Environment Programme (UNEP) aimed at enhancing the capacity of developing countries for policy-making and negotiation on key trade and environment-related issues. She wished to see the competency of WTO in trade continue to be of benefit to developing countries. Implementation issues and the mandated negotiations on agriculture and services should be given high priority in the WTO negotiations. Issues which were contentious and divisive should not be included in the future work programme of WTO, since the introduction of more new issues would further burden the developing countries with obligations which they would be ill-prepared to bear. Currently, there was clearly a gap between having a better understanding of complex areas such as investment, competition and government procurement and the technical ability, resource capacity and willingness of developing countries to negotiate on each of those issues. It was important to recognize that developing countries needed to understand better the implications of those multifaceted issues on their governments, their business communities and their peoples at large before any global rules could finally be put in place.

8. **Mr. Gallegos Chiriboga** (Ecuador) said that many countries of the South had shifted from the strategy of import substitution to one of trade liberalization, thereby eliminating tariff and non-tariff barriers. Indeed, integration in his region had been given strong impetus by the establishment of free trade zones. One such zone was the Andean community, which had been set up in 1992; since then, the intraregional flow of goods had increased considerably. Indeed, the increase in the volume, quality and diversity of intracommunity trade had boosted the national economies of member countries and created new and better employment opportunities. Efforts were now focused on the next stage, the establishment of an Andean customs union. In parallel with that subregional process, further commitments had been undertaken on trade matters with other countries of the region in the context of the Latin American Integration Association. Those efforts had resulted in the establishment of broad tariff preference zones.

9. Negotiations were also being held with a view to the establishment of a free trade zone between the Andean community and MERCOSUR. That process, which was expected to conclude in December, would result in the establishment of a South American free trade area. There were also ongoing negotiations with a view to the establishment of a free trade area of the Americas, including the establishment of guidelines for the next stage of the negotiations to be concluded by January 2005 at the latest. Despite the deterioration of the world economic situation and heightened international tension, the negotiations had made considerable headway with explicit recognition that the initiative would help to attain basic objectives such as strengthening democracy, creating prosperity and realizing human potential.

10. Referring to agreements within the context of WTO, he said that Ecuador attached high priority to the introduction of special and differentiated treatment for developing countries in accordance with the Doha Ministerial Declaration. The ability of developing countries to take full advantage of their productive capacities and strengths depended, among other things, on the effective removal of quasi-tariff barriers such as quotas and other types of quantitative restrictions as well as on transparent application of trade protection measures such as anti-dumping fees and on the total effective integration of all sectors into the international trading system. There should not be a system of international trade which benefited only a small number of countries to the exclusion of developing countries. So long as economies concentrated on the sale of agricultural products which were not viable, there would continue to be violence and destabilization of the social fabric in democratic societies.

11. *Mr. Van der Pluijm (Belgium), Vice-Chairman, took the Chair.*

12. **Mr. Hussain** (India) said that a solid commitment had been made at the Doha Ministerial Meeting to place the interests of developing countries at the heart of the WTO work programme. A broad programme focusing on development had been agreed upon. However, a year later, developing countries were disappointed with the lack of progress. Specific actions should have been taken by July and December of the current year, but all the July deadlines had been missed and the lack of progress in negotiations indicated that the December one would also be missed. It would take political will and affirmative action to address the concerns of developing countries and to correct existing imbalances in the multilateral trading system.

13. Instead, since the Doha Ministerial Meeting, those who called on developing countries to liberalize trade were retreating into a shell of protectionism. That disturbing trend could have an adverse impact on negotiations in WTO. He hoped that progress could be made by the mid-term review of Doha in September 2003 and urged that implementation issues and the provisions relating to the special and differential treatment of developing countries should be addressed before the Fifth Ministerial Meeting of WTO, to be held in Cancun. Issues not directly related to trade, such as environment, investment and competition policy, should not be linked to trade liberalization. No attempt should be made to alter the agreement reached at Doha that negotiations on the Singapore issues would take place only after the Fifth Ministerial Meeting had adopted a consensus decision to do so.

14. Although market access was critical for developing countries, they generally faced higher barriers to their exports than industrialized countries. High tariffs remained on products in which developing countries were competitive and rose as the level of processing increased. Tariff escalation prevented developing countries from moving beyond dependence on a few commodities, keeping them from entering the market at higher levels of the international production chain.

15. Non-tariff barriers, such as technical standards and sanitary and phytosanitary measures, also limited market access. Indeed, they were estimated to cost developing countries US$ 100 billion a year — twice as much as the level of official development assistance (ODA). Tariff and non-tariff barriers must be addressed, especially with regard to the services sector and agriculture, which was a way of life in developing countries.

16. In India, 70 per cent of the people were dependent on agriculture, while in developed countries the corresponding figure was only about 7 per cent. Yet in developed countries agriculture received subsidies of $350 billion annually. That situation contributed to excess production that artificially lowered the prices of agricultural products. The mandated negotiations on agriculture should be completed in order to improve market access by removing export and domestic subsidies provided by developed countries.

17. Referring to the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), he stressed the need to find an expeditious solution to the problem of members with insufficient or no manufacturing capacity in the pharmaceutical sector through effective use of compulsory licensing. Lastly, noting the important role played by UNCTAD in supporting developing countries in the ongoing WTO negotiations, he said that more financial resources should be made available to the Conference.

18. **Mr. Montealegre** (Philippines) said that an assessment of the present multilateral trading system and of the role of the United Nations, including that of UNCTAD, was crucial in achieving the trade and development objectives of recent conferences and summits.

19. In addition to creating wealth, trade should be an agent for economic growth and sustainable development. Exports of developing countries must have improved access to markets and technical assistance. Faithful implementation of the commitments undertaken in the Uruguay Round and other international forums would also be necessary. The international community must ensure that progress was not negated by protectionism. The Government of the Philippines supported the implementation of measures adopted to address trade and development concerns. Moreover, the United Nations system and its relevant bodies played an important role in advancing follow-up in the economic and social fields. Efforts should be made to enhance the capacity of developing countries in policy-making and negotiation of crucial trade and environment issues. Both developing and developed countries should continue to coordinate their policies in building a fair, transparent and non-discriminatory international trading system.

20. **Mr. Brereton** (Australia), speaking on behalf of the Cairns Group, said that fundamental reform of world agricultural trade was the key to achieving the development objectives set out at the Fourth WTO Ministerial Conference. Previously, the Uruguay Round of trade negotiations had irrevocably established that agriculture was an integral part of the international trading system. Since the conclusion of the Uruguay Round implementation period, almost no progress had been made in reducing subsidies and protection. Total support and protection for farmers in OECD member countries had exceeded $310 billion in 2001 and significant market access barriers remained in place.

21. The members of WTO had few remaining opportunities to correct the inequalities of the international trading system. Agricultural trade reform was a prerequisite to adjusting such imbalances and would promote growth, sustainable development and poverty alleviation, and even strengthen the economies of the major subsidizing countries.

22. In connection with agricultural reform, the outcomes of past negotiations in market access, domestic support and export competition had been recognized as being closely interlinked. Export subsidies should be phased out, trade-distorting domestic support must be significantly reduced and market access for all agricultural products improved. There was also widespread recognition that agricultural reform was a pre-condition to improving the welfare of people in the developing countries, and such reform should include liberalization of market access for tropical goods and products promoted as alternatives to illicit narcotic crops. Special consideration should also be given to food security, rural employment, development and other concerns of developing countries, as mandated by the Ministerial Conference at Doha. The members of the Cairns Group had made specific proposals based on the Doha mandate and welcomed the proposals made by other parties. However, they wished to note that proposals from some developed countries indicated limited willingness to undertake fundamental reform. The Group urged all negotiating parties to coordinate their positions and to submit proposals consistent with the agreed objective of creating a fair and market-oriented trading system.

23. The Cairns Group wished to reaffirm its readiness to continue constructive participation in the Doha Development Agenda. Substantial reform of agricultural trading rules was essential to enhancing the development prospects for millions of people and unlocking the full potential of their agricultural sectors.

24. **Mr. Caldas de Moura** (Brazil), speaking on behalf of the Common Market of the Southern Cone (MERCOSUR) and the associated countries, Bolivia and Chile, said that in its eleven years of existence MERCOSUR had progressed from being a free trade area to become a customs union. However, the achievements of the Common Market, as a strategic alliance, went far beyond the sphere of trade and economics, to include the forging of agreements and cooperation links in many areas such as justice, education, health and consumer protection. MERCOSUR had also fostered regional political stability, through the strengthening of democracy and the promotion of interdependence among its members. Under the terms of "open regionalism", member States and associated countries did not discriminate against third countries and actively cooperated with other Latin America countries and the European Union.

25. Trading and financial reforms carried out by developing countries in recent years had not been sufficient to promote sustained economic growth and resolve social problems. There was growing consensus on the need to create an international environment conducive to development, and to modify and update the international financial system in order to avoid financial crises in developing countries.

26. The international community was currently undergoing difficult times, both structurally and in terms of economic prospects. The adoption of monetary, financial and trade measures would be required to stimulate economic growth; developed countries, whose macroeconomic policies had global influence, had a special responsibility in that process.

27. Nevertheless, structural problems also had to be confronted. One of the main sources of international economic disequilibrium was the international trading system, which was replete with inconsistencies: talk of trade liberalization coexisted with protectionism, a discrepancy which jeopardized the credibility of the system. Trade imbalances thwarted the efforts of developing countries to improve the living conditions of their people. In the agricultural sector, the wealthiest nations defending free trade most frequently imposed barriers to trade, creating huge losses to the developing world.

28. Despite the promises made, one year after the Fourth Ministerial Conference multilateral trade negotiations remained stalled. The lack of solidarity in international trade was responsible for the impasse in agricultural negotiations within WTO. He joined previous speakers in reiterating the need for a successful agricultural policy to support the Doha agenda. Developed countries should take a constructive approach to allow for negotiations within the originally established time frames.

29. In the search for greater equity in the international trading system, there was a need to urgently address other issues, such as eliminating tariff peaks and escalation, and to avoid using the anti-dumping agreement as a protectionist tool. History had shown that trade could be an instrument of stability or of disruption and the international community should decide how it wished to use that instrument. At the time when the General Agreement on Tariffs and Trade had been established, trade liberalization had sought to contribute to global stability. In the early days of WTO, the international community was again required to reaffirm that mission. The means to achieve that objective was the removal of imbalances and injustice in the international trading system. MERCOSUR was firmly committed to that objective, but much depended on the willingness of the developed countries to negotiate.

30. **Mr. Naidu** (Fiji) said that expectations of modest recovery of world trade cast some uncertainty on the sustainable development of developing countries, particularly the small island developing States such as Fiji. Those States questioned how they could best benefit from the process of globalization and trade liberalization as they faced numerous challenges attributable to geographical factors, and environmental and economic vulnerability.

31. He concurred with the views expressed in paragraphs 6 and 7 of the Secretary-General's report (document A/57/376) that the comprehensive work programme adopted at the Fourth Ministerial Conference of the WTO called for the examination of a number of key issues of concern to developing countries which needed to be integrated into the negotiations and regular work of the WTO.

32. The recognition that trade was the single most important external source of development financing for sustainable development and poverty alleviation was of particular relevance to Fiji, which had a narrow, predominantly agricultural economic base and was dependent on a few commodities. Fiji attached great importance to trade liberalization and structural reforms. It was also committed to the work programme established at Doha with recognition of the benefits of global economic integration. However, like other developing countries, Fiji was concerned about the slow progress of post-Doha negotiations and action on key elements such as implementation, special and differential treatment, and agriculture.

33. In that connection, his delegation wished to reaffirm its commitment in the multilateral trading system to formulate effective and sustained responses to the concerns of developing countries. The new partnership agreement between the African, Caribbean and Pacific States (ACP) and the European Union, as endorsed in Doha, was critical because it recognized the special nature of trade relations between the entities, and could be considered a model for North-South trade cooperation.

34. In the case of Fiji, agriculture played a prominent role. Its linkages to food security, rural development, environmental protection and sustainable development were visible and strong. Fiji therefore favoured the continuation of a reform process in agriculture, under article 20 of the Uruguay Round Agreement on Agriculture, that provided for diversity of agricultural systems and situations worldwide. The small island developing States had not effectively benefited from the Uruguay Round and should now be afforded meaningful benefits in the context of the negotiations on agriculture. They should also be allowed to use appropriate means to ensure that agriculture continued to play its proper role. The rules designed to regulate world trade, in particular the trade of small economies, should take the specific needs of small island States into account.

35. The Third Summit of ACP Heads of State and Government had emphasized that trade liberalization in ACP States should be phased and progressive and be accompanied by adequate supply-side supportive measures. The experience of Fiji had shown that the difficult process of adjustment and diversification deserved focused attention from the developed world and multilateral donor agencies. He therefore urged the United Nations system, Member States and donors to further support socio-economic development needs and provide assistance to mitigate the costs of adjustments.

36. The slow progress of preparations for the 2003 Fifth Ministerial Meeting of WTO was a matter of concern. The outlook for the achievement of development objectives agreed at Doha seemed dismal, as much technical work and effort were required to propel negotiations.

37. Fiji reiterated the importance of keeping trade and development high on the agenda of the General Assembly. Moreover, his delegation noted the important role of UNCTAD in integrating developing countries into the world economy, harnessing the Conference's well-developed analytical and technical competencies, which could prove indispensable for the effective promotion of the key economic interests of developing countries.

38. **Mr. Huang** Xueqi (China) said that the 16 issues listed in the report of the Secretary-General on Trade and Development (A/57/376) as the development focus of the Doha work programme were all issues of concern to the developing countries. His delegation hoped that the new round of multilateral trade negotiations, to be concluded by 1 January 2005, would produce fair and equitable results and strike a balance between the interests of developed and developing countries. It was important to resolve issues such as the implementation of the Uruguay Round agreements and issues relating to agriculture, trade barriers, trade-related intellectual property rights, trade in services and investment. In particular, developed countries should show sincerity in negotiations on textiles and anti-dumping measures and take concrete action to improve conditions for developing countries to access their markets. As a developing country and a new member of WTO, China was actively participating in the new round of multilateral trade negotiations.

39. The Chinese delegation appreciated the positive role played by UNCTAD in the new round of trade negotiations. The Conference should continue to strengthen its technical support in the area of capacity-building, so as to enable the developing countries to participate in negotiations on an equal footing. It should help the developing countries to participate in world economic activities in the areas of investment, business development and technology, trade in goods and services, basic structures of commodities and services, trade efficiency and other important fields. It should also provide assistance to developing countries in connection with implementation of the Doha work programme.

40. Since joining WTO, the Chinese Government had done a great deal to optimize its trade and investment environment. China was willing to work with other members to promote liberalization and facilitation of investment and trade and establishment of a more open, more equitable and more appropriate multilateral trade and investment system. China would continue to strive to create a good investment environment for foreign businesses, in particular by improving the policy and legal environment, as well as the administrative infrastructure, and would encourage investment in new and high-tech industries. It would actively invite investment by multinational corporations, promote foreign investment in the central and western regions of China, and maintain and perfect an equitable and open market.

41. **Mr. Mizukami** (Japan) said that it was essential to secure broader financial resources, including domestic resources, and to activate international trade and investment, in order for the international community to realize sustainable development. Among other things, market access to products from developing countries, particularly least developed countries, was an issue of great significance. At present almost all industrial products from least developed countries (LDCs) were offered duty-free and quota-free access to Japan. Furthermore, Japan had decided to revise tariff-related laws for the fiscal year beginning 1 April 2003 to expand duty-free and quota-free treatment for LDC products.

42. Of no less importance was the effective implementation of trade-related capacity-building and the operationalization of special and differential treatment. With regard to capacity-building, Japan welcomed WTO activities currently under way, such as the creation of the Doha Development Agenda Global Trust Fund. Japan had contributed 1.5 million Swiss francs to the Fund and reiterated its readiness to make a financial contribution to the intensive training course for Asia and the Pacific to be implemented by WTO and UNCTAD later in 2002. The Japan International Cooperation Agency (JICA) had implemented a number of technical assistance projects, such as dispatching Japanese experts to other countries, inviting trainees to Japan and holding seminars on trade and development. Collaboration between UNCTAD and WTO and other international organizations should be encouraged. UNCTAD had a relative advantage in such fields as investment and

competition in developing countries, and its know-how should be shared with the nations of the world.

43. Trade should provide benefits to both trading parties. The international community would be more prosperous when as many countries as possible participated in international trade. It was therefore important to take into account the vulnerability of developing countries and accord them special and differential treatment.

44. **Mr. Akram** (Pakistan) said that his delegation endorsed the statement made by the representative of Venezuela on behalf of the Group of 77 and China.

45. Trade was a powerful instrument of development, but the developing countries were the weaker players. Instead of assisting them, the international trading system discriminated against developing countries in several ways. Over the last 55 years, commodity prices had declined in absolute terms and relative to industrial goods. Agriculture and textiles had been excluded for 50 years from the fair trade discipline of GATT. Even as tariffs on industrial goods were being slashed, exports from developing countries faced discriminatory tariff peaks and escalations which barred them from the largest markets, prevented processing and perpetuated their role as producers of raw materials and commodities.

46. The legacy of inequity had been further exacerbated by the Uruguay Round agreements. The agreement on agriculture had confirmed inequality by allowing the developed countries to maintain their price support and subsidies and high tariffs while restricting developing countries to 10 per cent *de minimis* levels of support; the removal of multi-fibre arrangement quotas on textile exports of developing countries had been deferred for ten more years; the TRIPS and TRIMS agreements incorporated obligations for which most developing countries were totally unprepared; and, in the newly introduced sector of trade in services, liberalization had been agreed mainly in areas of interest to the developed countries, such as financial services, rather than in the movement of "natural persons", i.e., people seeking jobs at lower wages.

47. The provisions of the Declaration adopted at the Doha Ministerial Conference mostly reflected the objectives of the major trading partners, such as industrial tariffs, investment, competition policy, environment and trade facilitation. Priority areas for developing countries, including implementation, agriculture, tariff peaks and escalation, anti-dumping and special and differential measures, had not been satisfactorily addressed. Pakistan was glad that the new Director-General of WTO had identified the development-related goals in the Doha work programme in fairly specific terms. Until progress was made in fulfilling the Doha Development Agenda, the developing countries should not be expected to accept further obligations in areas of interest to the industrial countries. Some powerful trading partners felt that weaker players must make the concessions in WTO negotiations, since they had the option to conclude bilateral and regional free-trade agreements outside WTO with consenting partners on their own terms. Ultimately, it was the major players themselves who needed a rules-based international trading system; in its absence, they were likely to revive their past "beggar-thy-neighbour" policies.

48. Several developing countries with sizeable populations, especially in South Asia, were being progressively excluded from the regional free trade areas being established in various parts of the world. That would impact negatively on their economic growth and social standards and erode the multilateral trading system under WTO. The Doha negotiations must also reverse the threat from the "new protectionism" — the use of environmental and social conditionalities, including labour standards — to restrain the exports of developing countries. Progress in implementing the Doha work programme was so far unimpressive. If significant advances were not registered by the 2003 Ministerial Meeting in Mexico, especially on the priority development issues, there was a danger of an impasse. That could further accelerate the negative trends already apparent in the world economy and transform the current economic slowdown into a real recession.

49. **Mr. Mumbey-Wafula** (Uganda) said that his country relied on trade to generate resources necessary to fund development. Its share of trade was dominated by commodities and was limited by unfavourable market access conditions affecting products such as coffee. His delegation called on Uganda's development partners to cooperate in the quest for an equitable multilateral trading system. It welcomed the African Growth and Opportunity Act enacted by the United States and the Everything But Arms plan put in place by the European Union. However, without the capacity

to utilize those opportunities and the investment to enhance the value added of its products, the benefits of trade openings to his country, as well as to least developed countries, landlocked least developed countries and small island developing countries, would be only marginal.

50. His delegation was encouraged by the recent briefing by the UNCTAD secretariat on the post-Doha process and noted in particular the outline of the "single undertaking" necessary to translate the Doha work programme into a development agenda geared to achieving tangible and beneficial trading opportunities for developing countries. It called for speedy implementation of commitments made in Doha to redress the marginalization of the LDCs in international trade and for implementation of the work programmes adopted to examine issues relating to trade of small economies and all relevant decisions taken in Brussels, Monterrey and Johannesburg. His delegation noted with concern the slow progress in negotiations on key elements of the Doha process, such as special and differential treatment, implementation issues, agriculture, services and market access.

51. An important role was played by bodies such as the UNCTAD Trade and Development Board and by the secretariats and the intergovernmental bodies dealing with trade. As a beneficiary of technical support from UNCTAD, his Government had recently agreed on a series of activities to support its investment strategy. Analytical reports such as the UNCTAD Least Developed Countries Report and the Trade and Development Report were useful in his Government's multilateral negotiations. His delegation called on the Secretary-General to strengthen the capacity of UNCTAD to provide critical services to developing countries.

52. **Mr. Kazemi Kamyab** (Islamic Republic of Iran) said that his delegation associated itself with the statement made by the representative of Venezuela on behalf of the Group of 77 and China.

53. The multilateral trading system had intertwined the future of all countries more than ever, but the benefits had not been fairly distributed and that posed a threat. The Doha agenda had focused on subjects which were of interest to developing countries. However, it would not solve their problems unless it was implemented effectively. The fact that one fourth of the countries in the world were still isolated from the mainstream of the multilateral trading system was more indicative of the obstacles they faced in joining WTO than of their unwillingness or unpreparedness. The prolonged accession process, the concessions required of them, the imbalance between rights and obligations and the emergence of such new ideas as "WTO plus" or "WTO minus" all suggested disregard for the principles of special and differential treatment and non-reciprocity towards developing countries. It was of paramount importance that special attention should be paid to those basic issues in the new round of negotiations and throughout the accession process.

54. The principle of special and differential treatment was fundamental for the developing countries and was reaffirmed in the Doha Ministerial Declaration. Nevertheless, after seven years of trading under WTO, special and differential treatment appeared to consist at best of the discretionary desire of major trading Powers to grant some concessions to a selected group of developing countries, at the latter's own cost. The language relating to special and differential treatment should be made more binding, and adequate leverage should be provided to ensure that it was implemented. Emphasis should also be placed on agricultural negotiations, on the elimination of market distortion and on improving market access for developing countries. Other issues requiring special attention were services, intellectual property rights and the financial, technological and institutional problems of developing countries. Most developing countries were not in a position to make commitments in new areas such as trade and environment, investment and competition. Negotiations should rather be directed towards resolving problems in the implementation of existing agreements. His delegation welcomed the new WTO strategy for expanding technical cooperation and its renewed cooperation with UNCTAD.

55. The specific situation of the Islamic Republic of Iran with respect to its accession process was indicative of the deficiencies in the multilateral trading system. As a result of the unjust invocation of consensus, Iran had been prevented from joining WTO. That was contrary to the spirit of universality of the Organization. In that regard, he wished to draw attention to paragraph 30 of the Monterrey Declaration and the pledges made in paragraph 84 of the Plan of Implementation of the World Summit on Sustainable Development, whereby the heads of State and Government had undertaken to facilitate the accession

of all developing countries that applied for membership in WTO.

56. His delegation hoped that UNCTAD and other relevant organizations would assist developing countries that were not members of WTO so that they could prepare to accede more quickly to membership. It urged the donor community to provide UNCTAD with the necessary resources to enable it to deliver effective, demand-driven assistance to developing countries.

57. **Ms. Ninh Thi Binh** (Viet Nam) said that, in the context of globalization, trade could provide an opportunity for developing countries to accelerate their economic growth, providing predictable and expanding resources and helping to eradicate poverty and reduce the development gap. But favourable conditions for promoting and increasing developing countries' share in international trade were critically needed: it was necessary to rebuild an equitable, secure, non-discriminatory and predictable multilateral trading system to facilitate the development of trade in developing countries. The international community should demonstrate greater political will and make greater efforts to resolve the current problems and obstacles related to declining world trade levels and high tariff rates for the products of developing countries. UNCTAD should be strengthened so that it could continue to play a central role in capacity-building to enable developing countries to deal with trade problems.

58. Her delegation supported the liberalization of international trade under WTO, and considered it to be a dynamic force for accelerating growth and development. Special and differential treatment should be developed, and the developed countries should remove high tariff barriers and protectionist measures affecting competitive products from the developing economies and extend preferential treatment to those economies with a view to facilitating access to their markets. There should be a new, truly development round of WTO trade negotiations. Viet Nam considered early accession to WTO as the first priority in the process of integrating its economy into the world economy and expanding trade relationships with other countries, and hoped that it would receive sufficient support to be able to join by the end of 2004.

59. **Mr. Abreha** (Ethiopia) said that trade was one of the key sources of external finance for development of developing countries, but his country was concerned that the recent export performance of primary commodity exporters, including the least developed countries, had been erratic and uncertain. The international trading system should address the perennial problem of low commodity prices, which had caused a huge and increasing gap between producer and consumer prices. Ethiopia welcomed the Doha provisions related to market access, support for the diversification of production and export bases and the facilitation and acceleration of accession negotiations in favour of the least developed countries, as well as the establishment of a working group on trade and transfer of technology under the auspices of the WTO General Council. The Doha Development Agenda could live up to its name if it combined market access for exports of the least developed countries with support for trade-related technical assistance and capacity-building to reduce supply-side constraints. Support in capacity-building should also be geared towards meeting sanitary and health requirements and technical barriers to trade. Implementation issues must be speedily resolved, particularly in areas of export interest such as textiles, clothing and leather products. Ethiopia also welcomed the recommendation in the Doha Declaration for the establishment of a working group on trade, debt and finance. Thorough analysis of the linkages between trade, finance and external debt in the context of commodity-dependent countries would help decision makers to deal with the debt sustainability criteria developed with regard to the heavily indebted poor countries.

60. *Mr. Suazo (Honduras) resumed the Chair.*

61. **Mr. Savchuk** (Ukraine) said that the Fourth Ministerial Conference of WTO, held in Doha, had resulted in a more specific focus on matters of special relevance for economies in transition and developing countries. The major policy challenges currently facing the transition economies were quite different from those in the past, because the balance of risks in the global economy had changed. There was a need to increase efforts to expand and preserve open markets to enable those economies to benefit from trade liberalization and to integrate better into the global economy. Expansion of transition and developing markets would result in economic growth and positively influence the global economic system. WTO had a key role to play in establishing fair and non-discriminatory multilateral trading relations, and was

well placed to provide guidelines for transition and developing countries to secure equal access to world markets.

62. Ukraine believed that its accession to WTO would fully integrate it in the international trading system, and urged the international community to facilitate that accession on commercially meaningful and viable terms. Ukraine attached primary importance to the development of a strategic partnership with the European Union, and had set integration in the Union as a strategic priority. It attached great significance to the promotion of bilateral trade with the member States of the Union.

63. Ukraine noted with satisfaction the progress made in implementation of the Bangkok Plan of Action, and was convinced that UNCTAD should continue to be the focal point within the United Nations system for the integrated treatment of trade and development. It welcomed the expansion of UNCTAD technical cooperation activities, and hoped that the Conference would be able to meet the increased demand for technical assistance following the Doha Meeting.

64. **Mr. Talbot** (Guyana), speaking on behalf of the States members of the Caribbean Community (CARICOM) which were Members of the United Nations, said that the CARICOM member countries had always been highly dependent on external trade, and had demonstrated a significant degree of openness to trade and investment. In recent decades, significant steps had been taken to liberalize their export sectors, but constraints had persisted, among them the relatively narrow range of exports, which for the most part were primary, and particularly agricultural, products. Also, the erosion of preferential regimes under the Uruguay Round, coupled with the increased propensity of developed countries to support their own agricultural production through various domestic policies and export competition measures, had had serious implications for the CARICOM region, where trade and foreign transaction taxes were the major source of public revenue. The revision of the taxation system itself had become a new development challenge for CARICOM countries, where government resources were the principal source of development financing. For those reasons, the CARICOM member States had repeatedly called on the international community to address the issue of tax cooperation through a multilateral process, as opposed to the existing fragmented and non-transparent approaches. The limited market openings for developing countries and the increasing penetration of markets by products from developed countries had further complicated the task of trade liberalization for many developing countries. The application of standards by developed countries to exports from developing countries constituted a major trade barrier for the latter. That was one of the reasons why CARICOM countries had argued that small and open economies should be given special consideration in trade negotiations because of their inability to secure the economies of scale in such areas as governance, business infrastructure and transport.

65. Many CARICOM countries were also concerned about the process of structural transformation in the global economy, and its impact on domestic incentives and competition, especially in the short to medium term. That was why they continued to press for special and differential treatment in trade agreements concerning products of export interest to developing countries and for greater attention to improving supply-side capacities and special adjustment assistance. Capacity-building remained fundamental to the development of internationally competitive enterprises and industries: there were many institutions and programmes to develop human resources and provide technical assistance, but many suffered from limited human and financial resources and all too often programmes and projects were left incomplete. A major step towards correcting that situation would be the development of regional programmes utilizing strategic alliances with regional institutions.

66. The CARICOM countries remained deeply concerned about the declining terms of trade for commodities, which were compounded by their increasing loss of market share in world commodity export markets. The seriousness of the problem cast doubt on the feasibility of attaining the Millennium development goals for commodity-dependent countries. The problem had not been adequately addressed at Doha, Monterrey or Johannesburg. International financial institutions tended to underplay the significance of the issue for the countries concerned. Developed countries should take the necessary steps to eliminate their tariff peaks, tariff escalation and trade-distorting subsidies in agriculture, which compounded the difficulties faced by developing countries. They should join the Common Fund for Commodities, and provide it with the resources necessary to assist developing countries confronting commodity-related

problems. UNCTAD should also be provided with the necessary resources to enable it to act more effectively on the question of commodities. CARICOM member States reiterated their call for the convening of a high-level international meeting to address the issue of commodities.

67. Greater attention should be given to the development concerns of developing countries in WTO, particularly in terms of the relations between multilateral environmental agreements and WTO agreements. Developing countries should be supported in their efforts to increase their capacity effectively to participate in negotiations in the existing multilateral trading forum. The United Nations and WTO should take necessary steps to establish the permanent relationship within which the development problems of developing countries would be a key focus of attention. The WTO decision-making processes needed to be more transparent, open and participatory in order to allow full and effective participation by developing countries. In that regard, it was important to keep the item of trade and development high on the agenda of the General Assembly. CARICOM member States noted with concern the slow progress of current WTO negotiations on key issues of development interest, including special and differential treatment, implementation issues, agriculture, services and market access. The development needs and interests of developing countries needed to be fully reflected in global economic and multilateral rules and institutions if international trade was truly to become an effective instrument for the development of developing countries.

The meeting rose at 12.50 p.m.